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No. 99-1629

In the Supreme Court of the United States

Ching-Rong Wang

Petitioner

v.

Winner International Royalty Corporation

Respondent

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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Motion for Leave to file Amicus Curiae Brief and Brief in support of Petition for Writ of Certiorari

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In the Supreme Court of the United States
October term 1999

Ching-Rong Wang

Petitioner

v.

Winner International Royalty Corporation

Respondent

Motion for Leave to file Amicus Curiae Brief

Pursuant to Rule 37.2(b) of the Rules of this Court, Intellectual Property Creators (IPC) respectfully moves the court for leave to file a brief amicus curiae in support of the petitioner in the above captioned case. Petitioner's counsel has consented to the filing of this brief but the respondent's counsel has not.

The petition for certiorari demonstrates that the Federal Circuit for all practical purposes rendered the Supreme Court's decision in *Dickinson v. Zurko* as meaningless, thus restoring the uncertainty into the U.S. patent system that motivated our filing an amicus brief in *Zurko*. The accompanying amicus curiae brief demonstrates that if the instant case is let stand it will, for all practical purposes, overturn the Supreme Court's decision in *Zurko* and so reinstate the great harm to invention and technological invention that was caused by an unreliable patent system prior to *Zurko*.

IPC has particular expertise in this area as it submitted one of only three amicus briefs on the merits in support of the Patent Office in *Zurko*.

For these reasons, as well as those set forth in the amicus brief, movants respectfully request the Court to grant its motion for leave to file the accompanying brief supporting the petition for writ of certiorari.

May 2000

Respectfully Submitted

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Introduction

IPC is submitting an Amicus brief[1] in this case for the same reason we filed one in the *Dickinson v. Zurko* 119 S. Ct.. 1816, 7 U.S. 150 (1999) 16-18. We believe that the standards of review of the Administrative Procedures Act should apply to judicial review of all cases where holdings of the Patent Office are reviewed. Like our brief in *Zurko*, this is not a legal brief and our arguments are not meant to be legal arguments. Rather we want to provide background material from the perspective of inventors whose constitutional rights the patent law is designed to protect.

Earlier IPC filed an Amicus Brief in *Dickinson v. Zurko* supporting the PTO and the position that the Supreme Court held. The initial paragraph of IPC's amicus brief in *Zurko* closes with:

> Our concern is not the legal arguments on whether the PTO is subject to the APA. Nor is it the narrow issue concerning appeals involving patent prosecution from the Patent Office. Our concern is the broader issue of deference to the PTO decisions especially during *patent infringement litigation*. [Emphasis in the original]

That concern for the effects of lack of PTO deference in litigation runs throughout the IPC *Zurko* brief. It is the issue that has resurfaced in this case.

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[1] This brief was not authored in whole or in part by counsel for any party.

We thought that *Zurko* had settled the issue. Unfortunately, in *Winner v. Wang*, the Federal Circuit took a constricted view of the *Zurko* decision holding that it only applied to direct appeals from the PTO. Such a view turns *Zurko* into a hollow shell. This is exemplified by how IPC's president found out about *Winner v. Wang*. He happened to call a lawyer friend on an unrelated matter and mentioned that IPC had written an amicus brief supporting the PTO in *Zurko*. That lawyer[2] immediately said he believed that one could easily get around the *Zurko* ruling. All one had to do was file a case in district court and he cited *Winner v. Wang*. What meaning does *Zurko* have if it can be sidestepped by such action? IPC's president immediately contacted counsel for Wang and offered to submit this amicus brief.

Interests of the Amicus

Intellectual Property Creators (IPC) is a non-profit organization of independent inventors. It was founded in 1994 by battle-scarred inventors.

IPC represents the public policy interests of independent and entrepreneurial inventors. In contrast, organizations like the Intellectual Property Owners and American Intellectual Property Law Association represent large companies and patent law firms whose job is more to protect vested interests than to encourage innovation. The members of such organizations benefit from the complex and uncertain jurisprudence rather than simplicity and predictability.

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[2] GREGORY B. WOOD, Oppenheimer Wolff & Donnelly LLP, Los Angeles, California 90067

Three of IPC's five founding board members, Dr. Damadian, Dr. Greatbatch, and Dr. Rines, are inductees into the National Inventors Hall of Fame.

Paul Heckel, the Founder and President of Intellectual Property Creators (IPC), is the principal author of this amicus brief. Prior to *Zurko*, IPC filed an amicus brief with this court in *Theis v. Octel* in case 97-1773 on the same issue of PTO deference. This Court denied certiorari. IPC wrote Solicitor General Waxman asking him to seek certiorari in which he ultimately decided to do. IPC then filed an amicus brief in support of the U.S. in *Zurko*. The amici on both of these briefs included two other inventor organizations and an inventor who is a Nobel Laureate in economics.

What is at Issue

We find it troubling that the Federal Circuit has taken such a constricted view of *Zurko*, especially after the Supreme Court overturned a 12-0 Federal Circuit decision.

The issue in *Winner v. Wang* is whether *Zurko* has any practical meaning. If the issue of validity can be redecided in a district court under a different standard from that of the APA, then the requirement that the APA standard be used on direct appeals from the PTO becomes meaningless for all practical purposes. *Winner* is a case that gives the Supreme Court an opportunity to clarify its ruling in *Zurko*.

If the Supreme Court intended that *Zurko* apply to cases where the district courts review PTO patentability determinations as well as direct appeal to the Federal Circuit, then it would appear that *Winner* provides an opportunity to

correct the matter quickly so as to ensure that the lower courts clearly understand and follow this Court's decisions.

Why the Supreme Court should take this case

There are several reasons the Court should take this case:

1. Since validity is an issue in the majority of patent cases, we can expect that it will be regularly raised in filings for certiorari so the Supreme Court will almost certainly have to address this issue. Theis Research has two decisions in the appeals process where PTO deference by the district courts is the issue[3]. The question is whether the Supreme Court wants to settle the issue now shortly after *Zurko* or wait. If the Court waits to apply PTO deference to district court decisions, the costs will include the waste of judicial resources in redeciding cases that the PTO has already decided. Worse, it means more cases are decided against the considerable technical expertise of the PTO.

2. Of particular concern to IPC is that *Winner* reinstates all of the problems of uncertainty and biased decisions that were raised in our amicus brief in *Zurko*.

While the effect of *Zurko* was to pave a safe road for a patent-holder to get his patents respected, *Winner* makes it easy for an infringer to force the patent holder to detour over the original minefield.

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[3] *Octel Communications Corp. et al. (Tigon Corporation) v. Theis Research, Inc.* (Fed. Cir. No. 00-1031, pending) and *Octel Communications Corp. et al. (Northern Telecom Inc.) v. Theis Research, Inc.* (Fed. Cir. No. 99-1061, Nov. 18, 1999, modified Feb. 9, 2000) Certiorari Petition filed May 9, 2000.

While we intend to file a new brief in *Winner* should the Supreme Court grant certiorari, we could submit the same amicus brief that we did in *Zurko* unchanged as it speaks directly to the issue, even more than it did in *Zurko*. This is because our fundamental argument was that it was important to have PTO deference *in the district courts* even though the issue in *Zurko* was deference on direct appeal from the PTO to the Federal Circuit.

In our *Zurko* amicus brief we argued that adopting the APA standards would substantially reduce a systemic bias against independent and entrepreneurial inventors who enforce their patents against big companies. We described a study we did of 14 inventors who litigated their patents against large companies, and where 13 out of the 14 lost. (The fourteenth, Dr. Raymond Damadian, inventor of MRI, had been presented with the National Medal of Technology by President Reagan.)[4]

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[4] Our study is just one example where the courts have strong biases that lead to miscarriages of justice. Objective evidence of this is just beginning to surface. The advent of forensic DNA evidence has highlighted many examples of miscarriages of justice. Over 70 convicted "rapists" and murderers were freed as a result of DNA evidence. In , *Innocence*, Barry Scheck, Peter Newman and Jim Dwyer describe the factors that seem to have contributed to such proven miscarriages of justice. This problem was so serious that Illinois Governor George Ryan indefinitely postponed all executions. It is this author's view that such miscarriages of justice, far from being unique to criminal cases, are more common to civil cases where the motivation for victory at all costs is likely to be stronger. We believe that litigation between unequal litigants whether poor black suspects facing the state or independent inventors facing big corporations, is a fertile ground on which such injustice grows. Would that Congress fund the investigation of miscarriages of justice at just a fraction of the rate it funds the investigation of airplane crashes.

What is the message for the Federal Circuit?

The Federal Circuit had ruled 12-0 against applying the APA standard in *Zurko*, suggesting that their view is deeply entrenched. The Supreme Court overturned that decision.

People do not give up deeply entrenched modes of thought easily to adjust to new modes of thought. This is particularly true where the new mode of thought threatens their power and existing practices. *Zurko* does this as it takes from the Federal Circuit the power of judges to decide patentability issues on their "own reasoning".

The reluctance of people to change entrenched views is basic to human nature. In *The Structure of Scientific Revolutions* Thomas Kuhn said:

> ...Copernicanism made few converts for almost a century after Copernicus' death. Newton's work was not generally accepted, particularly on the Continent, for more than half a century after the *Principia* appeared. Priestly never accepted the oxygen theory nor Lord Kelvin the electromagnetic theory and so on. The difficulties of conversion have often been noted by scientists themselves. Darwin in a particularly perceptive passage at the end of the *Origin of the Species* wrote "Although I am fully convinced of the truths in this volume, I by no means expect to convince experienced naturalists whose minds are stocked with a multitude of facts, all viewed during a long course of years, directly opposite to mine. ... But I look with confidence to the future to young and rising

> naturalists who will be able to view both sides of the question with impartiality. And Max Planck, surveying his own carrier in his *Scientific Autobiography*, sadly remarked that "a new scientific truth does not triumph by convincing his opponents and making them see the light, but rather because the opponents eventually die, and a new generation grows up that is familiar with it.

This same phenomenon occurs in the law. In *The Pig Farmer's Daughter*, Mary Francis Berry shows how strongly the accepted "stories" of society influence the making of the law in the area of race and gender discrimination.

Consider, for example, what happened with *Plessy v. Ferguson*. When the Fourteenth Amendment was passed after the Civil War giving Constitutional force to the principle that all races should be treated equally, the existing modes of thought (Berry would say stories, a cognitive scientist would say cognitive models[5]), especially in the South, remained unchanged. While the Fourteenth Amendment could not be attacked directly, pre-Fourteenth Amendment modes of thought persisted in a Louisiana law requiring separate but equal in public transportation. The Supreme Court, some of whose members retained these earlier views, upheld that law as legal thus beginning 60 years of Jim Crow laws. Except for Justice Harlan's dissent, that court did not foresee the damage done in the real world from such a legalistic distinction to allow "separate but equal" accommodations. This eviscerated the Fourteenth Amendment's requirement for equality, and led to massive discrimination and even lynchings, especially in the South.

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[5] See, for example, *Philosophy in the Flesh* by George Lakoff and Mark Johnson.

Sixty years later with *Brown v. Board of Education* the United States began to repair the damage done by *Plessy*.

Similarly, we believe that the pre-*Zurko* standard was so entrenched in the Federal Circuit, that it could not easily expunge its old thinking in reaching a decision in *Winner*.

A fundamental aspect of the *Zurko* decision was to reduce the power of the Federal Circuit (by requiring it give deference to the PTO). It is quite reasonable that the Federal Circuit, in writing its decision in *Winner*, would have a strong unconscious bias against applying *Zurko*.

The Utility of an IPC brief to the Court

While the Supreme Court did not comment on the usefulness of our amicus brief in *Zurko*, Judge Michel, the author of *Winner*, did. We sent a copy of the amicus brief to all the judges of the Federal Circuit and received a letter in reply from Judge Michel, dated February 2, 1999 (Winner was decided January 27, 2000). While Judge Michel did not take a position one way or the other on the case, he said:

> I was particularly impressed that the brief included significant historical and empirical information; so often missing from briefs filed in our court, even in cases being reheard en banc. *I think such information is critical to proper resolution of cases like Zurko.* [emphasis added] That such briefs are so rare makes your contribution the more helpful and the more impressive.

Whether or not Judge Michel reviewed our *Zurko* brief in deciding *Winner*, we don't know. Certainly the fact

that a year passed from when he wrote his letter to when he wrote the *Winner* decision would explain why he might not have remembered it, when decided *Winner* was decided.

Conclusion

Since *Winner* has stripped *Zurko* of all practical effect, the Supreme Court should clarify its meaning.

In *Plessy* the Court provided a way for racists to continue with business as usual. Similarly, in *Winner* the Federal Circuit provided a way for infringers to continue to do business as usual. Is this what the court intended?

Appendix A: Letter from the Solicitor General

U.S. Department of Justice
Office of the Solicitor General

The Solicitor General Washington, DC 20530

September 2, 1998

Mr. Paul Heckel
Intellectual Property Creators
101 First Street, Suite 425
Los Altos, CA 94022

Dear Mr. Heckel

Thank you for your letter of July 28, 1998 recommending that the government seek Supreme Court review from the Federal Circuit's en banc decision in in re Zurko, 142 F.3d. 1447 (1998)

I have waited until now to respond to your letter because I wanted to be able to report the result of our consideration of the Zurko matter. As you may already be aware, we filed a petition for write of certiorari in Zurko on August 31, 1998. I enclose a copy of the petition for your information.

I appreciate your interest in this matter.

Sincerely,

(Signed)
Seth P. Waxman
Solicitor General

Appendix B: Letter from Judge Michel

United States Court of Appeals
For the Federal Circuit

Chambers of
Paul. R. Michel
Circuit Judge February 2, 1999

717 Madison Place, N.W.
Washington, DC 20439
(202) 63306297

Mr. Paul Heckel
President
Intellectual Property Creators
101 First St., Suite 425
Los Altos, CA 94022

Dear Mr. Heckel:

Thank you very much for your letter of December 28, 1998 enclosing the amicus brief in the Zurko case. I appreciate your thoughtfulness in sending me a copy.

Obviously, I eagerly await the result and opinion of the Supreme Court in this important case, along with many others interested in the world of intellectual property law and its development.

I am delighted that you were able to get involved in helping the Supreme Court have a deeper understanding of the background in which cases like Zurko arise.

I was particularly impressed that the brief included significant historical and empirical information, so often missing from briefs filed in our court, even in cases being reheard en banc. I think such information is critical to proper resolution of cases like Zurko. That such briefs are so

rare makes your contribution the more helpful and the more impressive.

Thank you for your comments, too. My sense is that I cannot appropriately respond to the question in your letter about the limitation of the rules governing federal appellate judges. In addition, I am not sure that there is any overall intent, as decisions are made by randomly selected panels of three judges in all but a few cases each year. While the panel opinion is reviewed by nonpanel judges of the court before it issues, and they may suggest revisions which are often accepted by the panel, there is no overall plan, or policy pursued by the court as an institution. In any event, I appreciate the spirit of your question and have taken note of the assessment that you set forth in your letter.

Again, thank you very much.

Sincerely,

(Signed)
Paul R. Michel
Circuit Judge